

SENATE BILL REPORT

SB 6679

As of February 1, 2010

Title: An act relating to the small business export finance assistance center.

Brief Description: Concerning the small business export finance assistance center.

Sponsors: Senators Kauffman, Kastama and Shin.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/28/10.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Jack Brummel (786-7428)

Background: The Small Business Export Finance Assistance Center was created by the Legislature in 1983 as a nonprofit corporation to provide financial and technical assistance to small and medium-sized businesses in exporting their goods and services. For businesses with annual sales of \$200 million or less, the center may provide assistance in obtaining loans and guarantees of loans made by financial institutions, and provide export finance and risk mitigation counseling. The center may also provide assistance in obtaining export credit insurance and provide educational and informational resources.

In 2008 the center was provided one-year funding to provide outreach services to rural manufacturers in conjunction with Washington Manufacturing Services, now known as Washington Impact.

The Washington Economic Development Finance Authority (WEDFA) was created in 1989 to meet the capital needs of small and medium-sized businesses. WEDFA is authorized to provide for the funding of export transactions for small businesses in cooperation with the center.

Summary of Bill: The center is authorized to make loans or provide loan guarantees to finance exports upon a financial institution's assurance that the financing would not otherwise be available. The center must develop a rural export outreach program in conjunction with Washington Impact and develop export loan or loan guarantee programs in conjunction with WEDFA.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: \$150,000.

Fiscal Note: Requested on January 25, 2010.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Small Businesses are having trouble accessing capital. This bill will help businesses export their goods and services. This also creates an outreach program. Working with the export-import bank has allowed export growth but local banks have been reluctant to provide working capital based on foreign receivables. Foreign markets are on fire. Investment of capital is necessary to move products. Large banks are not supplying funds. The center can assist with every phase of growth in exports.

Persons Testifying: PRO: Senator Kauffman, prime sponsor; Tim Schipke, Export Finance Center of WA; Richard McGee, Global Remote Sensing, LLC; Roger Nance, Westerlund Log Handlers; Vidya Shankar, Usha Shankar, North Star Aerospace.